GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2564
ANSWERED ON:10.03.2000
STATE SHARE ON TAXES
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether the share of States in Central Excise will go down due tothe excise exemption given recently to Assam and the North-Eastern States;

(b) whether the Government have informed the State Governments of thispotential decline in their share due to excise exemptions granted to some States; and

(c) the steps taken by the Government to ensure that States will not suffer due to such incentives?

Answer

MINISTER OF STATE FOR FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Yes, Sir.

(b) & (c): While some Government decisions on taxation may cause revenue to be foregone in public interest, other decisions result in revenue gain. There is no system of ensuring against shortfalls just as there is no cap on revenue gain in absolute terms.